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SUPERFUND RECORDS

ANNUAL REPORT

OF

KANSAS EXPLORATIONS INCORPORATED.

JOPLIN, MISSOURI.

1935.

Joplin, Missouri.
February 15, 1936.

Mr. Andrew Fletcher, Vice President,
Kansas Explorations, Inc.,
250 Park Avenue,
New York, New York.

Dear Sir:

I transmit herewith the Annual Report
of the Kansas Explorations, Inc., for the year
1935.

Respectfully submitted,

ANNUAL REPORT.

KANSAS EXPLORATIONS, INCORPORATED.

1 9 3 5 .

Kansas Explorations, Inc., did no operating, pumping or development work during 1935, day and night watchmen were on duty at the Jarrett and the Ritz plants the entire year, and at the Robinson plant until September 1, at which time the property was sold to the American Zinc, Lead & Smelting Company.

LIST OF LEASES AS AT DECEMBER 31, 1935.

OPERATING UNITS.

Number	Name	Acres	State	Land Owner Royalty
<u>JARRETT UNIT</u>				
973	Jarrett	240.0	Kansas	10%
<u>RITZ UNIT</u>				
921	Ritz	60.0	Oklahoma	12½%
<u>DARDENNE UNIT.</u>				
974	Dardenne	40.0	Oklahoma	5% Tailings 10% Ore

PROPOSED UNITS

SNAPP UNIT

571	Snapp	40.0	Missouri	7½%
969	Gunning	280.0	Missouri	7½%
968	Gunning	160.0	Missouri	7½%
966	McReynolds	80.0	Missouri	7½%
972	Ragland	40.0	Missouri	7½%
965	Buckingham	140.0	Missouri	7½%
959	Buckingham	107.0	Missouri	7½%
967	Wills	80.0	Missouri	7½%
960	Cushman	80.0	Missouri	7½%
	Total Acreage	1007.0	Acres	

MISCELLANEOUS.

933	Webber	150.4	Oklahoma	5%
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GENERAL EXPENDITURES.

	1 9 3 5 .	
	Expenditures	
	Amount	\$ Total
Lease Prospecting Expense	0	0
Deep Drilling Area X	0	0
Deep Drilling Area Y	0	0
Shale Drilling Area X	0	0
Shale Drilling Area Y	0	0
Lease Acquisition	0	0
Lease Rentals	967.00	4.10
Legal Expense	0	0
Bonuses	0	0
General Expense Explorations	0	0
Taxes Explorations,	0	0
Electrical Prospecting	0	0
Snapp Property	0	0
Total Lease Expense	967.00	4.10
Mine Development	0	0
Mine Plant	0	0
Cash Account	0	0
Accounts Recieveable	65.27	.28
Warehouse Accounts	0	0
Drill Equipment	0	0
Fire & Tornado Insurance Prepaid	1893.58	8.00
Advanced Royalty, Robinson	2213.41	9.40
Advanced Royalty, Jarrett	1000.00	4.67
Shut Down Expense	15136.58	64.28
General Shut Down Expense	4945.87	21.00
Taxes	900.00	0.00
Employees Insurance Premiums	420.55	1.85
Snapp Property Idle Expense	5.54	0
Taxes, Jarrett	257.25	1.00
Taxes, Robinson	154.33	.70
Taxes, Ritz	95.23	.40
Taxes, Dardenne	177.98	.80
Robinson Concentrate Expense	32.00	0
TOTALS	23548.17	100.00

Accounts Recieveable on books at the close of
the year showed a balance of \$64.77

Income for the year, other than from
concentrate sales, consisted of the
following,

Discount earned	\$35.08
Sale of Royalty concentrates, Dardenne,	48932.65
Royalties earned, Dardenne,	2294.88
TOTAL	51262.61

JARRETT LEASE.

No operations, no pumping. Maintained day and night watchmen throughout the year.

During the year a new lease was obtained on this tract, for a period of ten years, at 10% royalty, as in the former lease, but the new lease provided for shut down of operations during unfavorable price conditions, and also treats the entire acreage as a unit.

Cost of Liability Insurance	\$213.84
Fire & Tornado Insurance	1894.96
Watchmen & Misc. Labor	2568.11
Miscellaneous	841.84
TOTAL	5518.75

ROBINSON LEASE.

No operations, no pumping, maintained watchmen from January 1 to September 1, 1935, at which time the lease was transferred and the plant sold to the American Zinc, Lead & Smelting Company, who began dewatering the mine and rehabilitating the plant September 1. The mine was dewatered by October 15, and the mill began operations the week of October 15. The total cost of unwatering the mine and rehabilitating the mill according to figures furnished by the American Zinc, Lead & Smelting Company, was \$22463.81. Following is a record of the operating results for the period ending December 31, 1935.

Tons mined	23402	
Tons milled	22854	
Tons concentrates produced, zinc	1497.75	Estimated
Tons Concentrates produced, lead	17.00	Estimated
Grade of ore milled, and recovered	6.63%	
Total cost per ton of ore	1.58	
Total cost per ton of concentrate	24.41	
Selling price per ton of coarse zinc concentrates	31.3951	
Selling price per ton of float zinc concentrates	31.1993	
Selling price per ton zinc concentrates	31.3532	
Base selling price zinc concentrates, Joplin Market, Coarse	\$32.00	
Float.	31.00	
Tons zinc concentrates produced	1497.75	Estimated
Tons zinc concentrates sold Coarse,	940.18	
Float,	255.085	
Estimated tons zinc concentrates in bins 12-31-35, coarse,	185.0	
float,	93.0	278.0
Lead concentrates in bins, Est.		20.0

ROBINSON LEASE.

Return of advanced royalty, 15%
of gross receipts of concentrate
sales during 1935,

5786.59

The sum of \$8000 was paid as advanced royalty for
shut down privilege during the year.

Cost of Liability Insurance	\$142.01
Fire & Tornado Insurance	1096.00
Watchmen & Misl. Labor	1729.42
Miscellaneous	269.84
TOTAL	\$3237.27

RITZ LEASE.

No operations, no pumping, maintained day and night
watchmen during the year.

Shut down permits were secured from the Indian Department
for the year 1935, without cost.

Cost of Liability Insurance	\$300.85
Fire & Tornado Insurance	1731.08
Watchmen & Misl. Labor	2989.30
Miscellaneous	1114.61
TOTAL	\$6035.84

DARDENNE LEASE.

A 10 year extension of this lease was secured from Paul
Damon Dardenne to the Kansas Explorations, Inc., from
January 1, 1936, and the Kansas Explorations, Inc.,
granted the Mary M. Mining Company a 9 year extension of
their lease from January 1, 1936.

MARY M. MINING COMPANY, operating under a sub-lease.
This Company operated the mine on this lease continuously
until in November, when they closed the mine to do develop-
ment work. The mining operations to date have been carried
on in a very satisfactory manner, and the development work
done so far has been very satisfactory. The development
has not added much tonnage to the known reserves, which at
this time are negligible, and it is not expected that the
tonnage mined in 1936 will be very large.
It has been the policy of the Kansas Explorations, Inc., to
take zinc concentrates as royalty instead of cash, whenever
the local base price was below \$30.00 per ton, and store
the royalty zinc concentrates in bins at the Robinson plant.
During the month of September all of the stored royalty zinc
concentrates were sold for \$10810.12. The value of these
zinc concentrates at the time they were taken as royalty
was \$9570.76, this indicates a profit of \$1239.36 due to

MARY M. MINING COMPANY.

the practice of not selling zinc concentrates under \$30.00 per ton.

Tons of ore mined and milled,	39948
Tons of zinc concentrates produced	2950.10
Tons of lead concentrates produced	62.625
Total mill recovery of ore treated	7.384%
Royalty earned	2294.88
Income from sale of stored royalty zinc concentrates,	11196.29

year 1935

ATLAS MILLING COMPANY.

The Atlas Milling Company operated their mill during the months at full capacity, treating tailings on the surface of the Dardenne lease, on which they paid a 20% royalty. After the April operations it was seen that it would be impossible for them to get enough tonnage to the plant to enable them to operate at capacity, and the royalty was reduced to 10% to encourage the treatment of all the remaining tonnage it was possible for them to get. They operated on this clean-up tonnage during the months of July, August and September at which time they advised they advised they could not treat any more of the remaining tonnage at a profit.

During the months of January, February, March and April, they milled 95401 tons of tailings from which they produced 1821.195 tons of zinc concentrates, which showed a mill recovery of 1.908%. During the months of July, August and September, while operating on the clean-up tonnage, the Kansas Explorations, Inc., received as royalty 50.13 tons of zinc royalty concentrates.

It was the policy of the Kansas Explorations, Inc., to take zinc concentrates as royalty in lieu of cash whenever the local base selling price of zinc concentrates was below \$30.00 per ton, and storing them in the bins at the Jarrett and Ritz plants. During the month of October all of the stored royalty zinc concentrates accumulated during a part of 1934 and 1935, were sold for \$37120.72, the value of them as at the time they were taken as royalty was \$31383.24, thus showing a profit of \$5737.48 by not selling zinc concentrates below \$30.00 per ton. The total sale of royalty zinc concentrates amounted to \$37736.36.

SNAPP TRACT.

The law suit that has been in the courts since 1933 will probably be tried in the April term of circuit court, 1936, in Joplin, Missouri.

LIABILITY INSURANCE.

We have the following unsettled injury cases.

Missouri, employee injured at the Isherwood mine, total permanent disability.

Kansas, employee injured at the Jarrett mine, total disability.

Oklahoma, employee injured at Ritz mine, case now before the Industrial Commission, hearing will be held in the spring of 1936.